

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: INSURANCE

DATE: AUGUST 2, 2007

COMMITTEE MEMBERS PRESENT:	OTHERS PRESENT:
SUPERVISORS GERAGHTY	AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
F. THOMAS	PAUL DUSEK, COUNTY ATTORNEY
HASKELL	JOANN MCKINSTRY, DEPUTY COMMISSIONER OF
GABRIELS	ADMINISTRATIVE AND FISCAL SERVICES
	JOAN SADY, CLERK OF THE BOARD
COMMITTEE MEMBERS ABSENT:	SUPERVISOR VANNESS
SUPERVISORS GIRARD	RENEE BAKER, TD BANKNORTH INSURANCE
MERLINO	CHARLENE DiRESTA, LEGISLATIVE OFFICE
SOKOL	SPECIALIST

Mr. Geraghty called the meeting of the Insurance Committee to order at 9:42 a.m.

Mr. Geraghty noted that the meeting would be for informational purposes only as a quorum was not present, so no action could be taken.

Mr. Geraghty stated that the first item on the Agenda pertained to the Request for Proposal (RFP) for broker services for property & casualty insurance. Amy Clute, Self-Insurance Administrator, apprised that she had reviewed the proposals and she added, that there were varying prices and services. She added that Latremore's Insurance Agency, who was the lowest bidder, had done consulting work for the County in the past.

Paul Dusek, County Attorney entered the meeting at 9:44 a.m.

Mr. Dusek stated that he would normally ask for an executive session; however, he added, since there was not a quorum of the Committee he requested that Ms. Baker step out, so the Committee could discuss the proposals.

A discussion was held pertaining to the RFP for broker services for property & casualty insurance from 9:45 a.m. to 9:50 a.m.

Mr. Gabriels entered the meeting at 9:46 a.m. and Mr. Geraghty noted that a quorum of the Committee was now present.

Motion was made by Mr. Haskell, seconded by Mr. F. Thomas and carried unanimously to approve the minutes of the April 30, 2007 meeting, subject to

correction by the Clerk of the Board.

Mr. Haskell recommended that the Committee interview the following companies for broker services for property & casualty insurance:

- Latremore's Insurance Agency
- Hilb, Rogal & Hobbs of Upstate New York, LLC
- Rose & Kiernan, Inc.
- Arthur J. Gallagher & Co. of New York, Inc.
- Cool Insuring Agency, Inc.

Pursuant to the proposal from Bailey, Haskell & Lalonde, who had not been selected for an interview, Mr. Haskell noted that he had no relationship to the company.

Motion was made by Mr. Haskell, seconded by Mr. Gabriels and carried unanimously to interview the five companies, as outlined above.

Ms. Clute stated that the County had received payment on the property loss that resulted from the electrical event that occurred in March, in the amount of \$38,074.46. She added that this amount was less the deductible and she added, that the original claim had been for \$48,074.46. She noted that page 6 of the Agenda packet was an itemization of the claim. *A copy of the Agenda packet is on file with the minutes.*

Mr. Dusek exited the meeting at 9:52 a.m.

Ms. Clute stated that the original claim submitted contained payroll losses for those employees who were sent home or those who worked on the event instead of their regular positions. She added that a letter had been received that stated that payroll losses would not be covered. She further added that Mr. Dusek would review the policy to determine if payroll losses should be covered. She said that they were awaiting a check for \$2,600 for loss of revenue to the County Clerk's office.

Mr. VanNess entered the meeting at 9:53 a.m.

Mr. Geraghty stated that the Worker's Compensation RFP for a third party administrator documents had been received about two months ago from the consultant. He added that no decisions had been made as yet. Ms. Clute apprised that the document had been reviewed and revised by both Mr. Dusek and herself

and she added, that she had to put the loss runs report with the document before release. She further added that the effective date on the RFP had been January 1, 2008. She said she should have everything completed by the next Committee meeting.

Ms. Clute apprised that the next item on the Agenda was to discuss the 2008 Self-Insurance budget and she added, that the budget worksheet was on page 7 of the Agenda packet. She apprised that the Self-Insurance budget was due one month before the budgets from other departments due to the fact that the figures from the insurance budget were incorporated into each of the other budgets. She said that the budget that she was presenting was conservative and was down approximately \$171,000 from last year's budget. She stated that assessments, medical awards and compensation awards were down which was the cause of the decreased budget. She added that there was a healthy reserve available if it was needed. She stated that the total budgeted amount for 2008 was \$906,254.13.

Ms. Clute apprised the Assessment Formula that had been used was on page 8 of the Agenda packet and she added, it was the same formula which had been in use for the last several years. She said the assessment was distributed among the Towns based on claims experienced and the distribution could be found on page 9 of the Agenda packet. Mr. Geraghty apprised that it was nice to see the reduced compensation costs for the communities and various organizations. He added that it was important not to lose sight of safety and he added, they needed to push safety both internally and externally for the communities. Ms. Clute apprised that the Department had been very aggressive on claims management. She added that claims managers were assigned as quickly as possible.

Motion was made by Mr. Haskell, seconded by Mr. F. Thomas and carried unanimously to forward the 2008 Self-Insurance budget to the Budget Officer.

Ms. Clute apprised that the 2008 Safety budget request worksheet was on page 17 of the Agenda packet. She stated that the County's Safety budget was usually only \$1,000 a year. She added that the Safety Committee had requested additional funds in the 2008 budget to cover the cost of 2 defibrillator machines for the Municipal Center (one for each floor), at an approximate cost of \$2,693.24. She added that the Safety Committee had sent a health educator to the National Safety Council and she added, he was prepared to present driver safety courses to the drivers of County fleet vehicles. She added that she had included in the Safety budget worksheet the amount needed to conduct 6 classes of 6 hours each for 180 employees. She further added that this amount included labor, books and instructor fees. She said that she was also requesting \$1,000 for miscellaneous

training and education expenses.

Mr. Haskell questioned how many County employees drove County fleet vehicles and Ms. Clute responded that there were 600 to 700 employees. Mr. Haskell questioned if it would take approximately three years to train all of the necessary employees and Ms. Clute responded affirmatively. Mr. Geraghty apprised that the driver safety training would equate to savings for the County, as it would cut down on the number of vehicle-related accidents. Ms. Clute apprised that the driver safety training was necessary due to the amount of vehicle-related accidents that the County incurred.

Discussion ensued.

Mr. Haskell apprised that the County would either need to free the health educator to conduct more classes or have a second employee available to become an instructor and he added, it would be better if the driver training was concluded sooner, as opposed to having it take three years to complete. He questioned if it was the responsibility of our insurance carrier to teach driver safety to our employees. Ms. Clute responded that periodic safety programs were held by the insurance carrier for the County and she added, that there had been 4 or 5 classes in the last couple of years. She further added that she had pursued this option; however, there was not an available insurance carrier instructor to teach this particular class. Mr. Geraghty apprised that the County had 58 lost work days this year and he added, if that amount could be cut by 1/3 by having more safety education classes, then it was worth the expense.

Mr. Haskell apprised that the Safety budget should be increased to complete the necessary driver training classes. He added that if the insurance carrier could not provide this service the County should contract with an individual provider for this service. Mr. Geraghty stated that it had been included in the RFP that the carrier was to provide training. Ms. Clute stated that the RFP had only requested 5 in-house training days.

Mr. Gabriels asked if the driver safety course would reduce the amount that the County paid for insurance and Ms. Clute responded that she did not believe that it would. Mr. Gabriels asked if the County would make the training available to employees of the Towns and Mr. Geraghty responded that it would currently only be made available to the drivers of the County's fleet vehicles. Mr. Geraghty added the class size was 30 students and if the County was unable to fill a particular class they could ask the Towns if they would like to fill the spots.

Discussion ensued.

Mr. VanNess stated that the reason that the County had stopped offering this course in the past had been that there was no savings to the County for insurance. He added that the employee saved on their personal automobile insurance which did not equate to savings for the County. Ms. Clute stated that there would be no savings on the County's automobile insurance as they were already receiving all the available discounts; however, she added, the savings would be in the reduction of County automobile accidents. Mr. Geraghty apprised that the course would also result in a reduction of lost work days.

Motion was made by Mr. Haskell, seconded by Mr. Gabriels and carried unanimously to increase the 2008 Safety budget to \$8,175, to include the expense of training two instructors for a Driver Training Program, as well as the expense of training the County's fleet drivers and to forward the request to the Budget Officer.

Mr. Geraghty stated that he would like the number of automobile accidents in the County to be tracked, by the quarter, to see if there was any reduction as a result of the training. Mr. Haskell apprised if the County had difficulty in finding a County employee to become an instructor for the Driver Training Program that he would be willing to take the course to become an instructor for the County. Mr. Geraghty suggested establishing a mechanism to track the success of the training and the number of employees that have attended the training, on a quarterly basis. Ms. Clute apprised that she would be able to do that and added that she would establish a baseline by investigating the number of automobile accidents in the past few years. Mr. Geraghty stated that the results could be incorporated with the Insurance Committee report.

Ms. Clute apprised that the two resolutions on page 18 and 19 of the Agenda packet had been drafted by the New York State Association of Self-Insured Counties, of which she was the president. She added that the first resolution pertained to the States proposed legislation (S6325) which would require Self-Insured participation in the Aggregate Trust Fund. She explained that when a worker's compensation claim was considered permanent, the value of the claim was determined and that amount was paid to the Aggregate Trust Fund at the State. She added that the insurance carriers were pushing to have the self-insured included in the legislation because they considered it an advantage to the self-insured that they did not have to participate. She further added that the future liability of classified claims would then have to be estimated and paid to the State.

Ms. Clute expounded that the second resolution pertained to the proposed legislation (S5821/A07999) which would require temporary disability insurance coverage for family leave. She added that the proposed legislation would also

increase the disability rate from \$170 per week to \$380 per week. She stated that the New York State Association of Self-Insured Counties was opposed to both of the proposed legislations and she hoped that Warren County would also be opposed.

Mr. Gabriels stated that the resolutions should be referred to the Legislative Committee and added that if resolutions were to come directly from the County they should be forwarded to the chairmen of the Senate and Assembly Insurance Committees, Senator Elizabeth Little, Assemblywoman Teresa Sayward and Assembly Speaker Sheldon Silver.

Motion was made by Mr. Gabriels, seconded by Mr. F. Thomas and carried unanimously to refer the two resolutions from the New York State Association of Self-Insured Counties to the Legislative Committee for their consideration.

Ms. Clute stated that activity reports for the second quarter were included in the Agenda packet for the Committee's review. She said that Mr. Dusek had requested that members of the Insurance Committee attend the Personnel/Human Resources Committee meeting on Wednesday, August 8, 2007 at 9:00 a.m. She added that the Committee would be meeting with Capital Financial Group, Inc. pertaining to changes in the health insurance for 2008. Mr. Geraghty said that all the Committee members should have received the letter from Capital Financial Group, Inc. that had pertained to the proposed increases in the insurance rates. *A copy of the letter is on file with the minutes.*

Mr. F. Thomas asked what other areas were risks for worker's compensation claims, aside from automobile accidents. Ms. Clute apprised that the largest exposure, in her opinion, was the nursing homes. She added slip & fall, lifting and shoulder injuries were common among the highway workers. She said that altercations during apprehensions occasionally caused injuries to members of the police force. Mr. Geraghty apprised that there had been 17 incidents at Westmount Health Facility, the majority of which were lifting injuries. Mr. Haskell expounded that the County had investigated the possibility of purchasing a lifting system for Westmount Health Facility; however, he added that the cost had been approximately \$50,000 and there had not been available funds.

Discussion ensued.

Ms. Clute apprised that Westmount Health Facility was not able to accommodate workers who were on transitional duty. She added that a lifting system would enable recovering workers to return to duty sooner than they were currently able to.

Renee Baker, Representing TD Banknorth Insurance, asked if the Committee's decision of which companies would be interviewed for broker services for property & casualty insurance, had been based solely on cost and Mr. Geraghty replied in the negative. She questioned why TD Banknorth Insurance had not been chosen for an interview. Mr. Geraghty stated that decisions had not been based on cost; however, he added, if two companies had offered the same services then the less expensive proposal had been chosen for an interview. He further added that the overall decisions had not been based on costs; they had been based on the content of the proposals. Ms. Baker stated that it had been her understanding that the terms of the RFP had been that the company who would be awarded the bid would do everything that was asked of them by the County. She said that she had read the descriptions of services of the companies and she added, most of them were a copy of what had been written in the RFP. Mr. Geraghty reiterated that if two companies had offered identical services but one company proposed a higher amount than the other, then cost was a factor in the decision.

As there was no further business to come before the Insurance Committee, on motion made by Mr. Gabriels and seconded by Mr. Haskell, Mr. Geraghty adjourned the meeting at 10:25 a.m.

Respectfully Submitted,

Charlene DiResta, Legislative Office Specialist